FOR MYSORE STATE.

S. G. H-27-104,000-4-11-49.

(195 2) Department.

Public Works Dept

Ms SERIES.

G.O. NO. Ms.250

250

Dated 23rd January 1952

[Despatch Abstract.]

Electricity - Kollegal Panchayat Board Electrical Undertaking - Taken over by Government - Payment of final compensation - Orders issued.

GOVERNMENT ELECTRICITY DEPARTMENT.

From

The Chief Operation Engineer (South)
157, Mount Road, Madras.

To

The Secretary to Government,
Public Works Department, MADRAS.

No. 430 C/50-16, dated 3-10-51.

Sir,

Sub: Electricity - Kollegal Electrical Undertaking - Payment of compensation - Claim of the Panchayat Board for additional compensation in respect of stores purchased from General funds.

87222

Ref: My letter No. 430 C/50-13, dated 27-8-51.

Further to my letter cited, I have to state that the claim of the Kollegal Panchayat Board for additional compensation of Rs. 10,623-4-9 in respect of stores stated to have been purchased from the general funds for use of the electrical undertaking -- vide copy of letter from the Executive Officer to the Chief Electrical Inspector to Government ROC No. 395/49 A.3., dated 21-4-50 enclosed -- has been examined and my remarks thereon are as follows:-

2 The acquisition of the Kollegal electrical undertaking is governed by the terms approved in G.O.Ms.No. 2915 P.W. dated 3-8-50. According to these terms Government took over the assets of the electrical undertaking including stores and in consideration of the Board agreeing to convey the assets, Government shall (i) absolve the Board from repayment to Government of principal amounts of loans, the Board has taken from the Government (ii) undertake repayment of loans taken by the Board from the Coimbatore District Board and from consumers' security deposit invested in the undertaking for purposes of capital expenditure (the loans raised for meeting operation deficits being excluded for the purpose), (iii) and also pay to the Board the total of the principal amounts of the loans the undertaking has taken from the general funds for capital expenditure and remaining outstanding on 1-10-48 (the loan raised for meeting deficits in operation being excluded for this purpose).

3 The amount of Rs. 84002-8-0 authorised in G.O.Ms.No. 1055 P.W. dated 17-3-50 and already paid is made up of items (i), (ii) and (iii) referred to above and as shown in the capital ~~amount~~ account of the accounts of the undertaking upto 30-9-48. As stores is included in the assets to be handed over to the Government, the Panchayat Board has no claim for separate payment on this account.

4 In the circumstances, I request that the amount of Rs. 84,002-8-0 already paid may be confirmed as the total compensation for the acquisition of this undertaking.

5 The Chief Electrical Inspector to Government is being requested to advise the Panchayat Board that its claim for payment of the amount reported to be utilised for purchase of stores is inadmissible.

6 The Superintending Engineer, Pykara Electricity System is being requested to get the conveyance deed duly signed by the Executive Officer, Kollegal Panchayat Board and submit it to this office for transmission to Government for completion thereof by Government. After completion of the deed by Government and on its receipt in this office it will be sent to the Executive Officer for registration and return. The registered deed on receipt will be sent to Government for record.

M.T. Subramaniam
for Chief Operation Engineer (Sou

vr/3.10

Copy of letter No. Roc. 395 /49-A3. dated 21-4-50 from Executive Officer, Panchayat Board, Kollegal, to the Electrical Inspector to Government, Chepauk, Madras.

Sub: Electricity - Kollegal Panchayat Board Electrical Under taking - Audit statement of accounts as on 1-10-1950.

Ref: Your letter No. 5945/Accts/49-6, dated 11-3-1950

A copy of the audited statement of accounts of the elect undertaking was furnished to you in this office letter Lis No 336/50-A3, dated 3-4-50 in reply to your letter No. 1053/Accts. 50-3, dated 16-3-50. I am sending herewith an additional copy of the account as per your above letter. The figures in the account relate to the period upto 1-10-48.

As per the audited accounts, the amount due to the Kollegal Panchayat Board comes to Rs. 10,623-4-9 as noted below:

	DR.			CR.		
Amount borrowed to meet the cost of stores etc. in 43-44.				3000	0	0
Repaid in 1944-45.	2000	0	0			
Amount borrowed to meet the cost of stores etc. in 45-46.				2200	0	0
Amount borrowed to meet the cost of stores etc. and also to pay certain other liabilities in the undertaking in 1948-49				8200	0	0
Loss over and above contribution from lighting tax for 48-49 debtor to general funds.	776	11	3			
Total.	2776	11	3	13400	0	0
To balance (due to Panchayat Board)	10623	4	9			
	13400	0	0	13400	0	0

3. Over and above the amount paid from the Panchayat Board as contribution from lighting tax, a sum of Rs. 7157-14-4 has been met from general funds of the Panchayat Board from the inception of the scheme to meet the deficit in operation and the same is included in the item "Other liabilities" but shown as minus figures against the item "Net Revenue Account-Balance at credit thereof" As per Government Memo No. 1244 E/47-17, dated 25-5-48 the amount of Rs. 7157-14-4 being the deficit in operation of the scheme met from general funds of the Panchayat Board over and above the contribution from lighting tax is not claimed. The amount of Rs. 10623-4-9 represents only the amount advanced to the electrical undertaking from general funds of the Panchayat Board towards purchase of stores and for wiping out certain liabilities in the scheme.

4. The details for Rs. 17855-15-8 shown against the item 'Other liabilities' are furnished below for favour of your information.

Sundry deposits.		Rs. 25 6 4	
Sundry creditors interst on security deposit pending payment.		Rs. 49 6 3	
Kollegal Panchayat Board.	Rs. 10623 4 9		
Loss met from general funds.	Rs. 7157 14 4		
			17781 3 1
Total			17855 15 8

P.T.O.

5. The amount advanced from general funds to meet the [illegible] from the commencement of the scheme is worked out and shown as [illegible] in the balance sheet as per instructions in G.O.Ms.No. 4830 P.W., dated 13-12-48. This amount of Rs. 7157-14-4-is over and above the contribution from lighting tax paid from the Panchayat Board.

6. It is evident from No. II Capital Account that no amount is shown against the item 'General Stores'. If the value of stores viz. Rs. 8285-11-11 shown in the asset side of the balance sheet against the item 'by Stores on hand' is to be included in No. II Capital account the credit side will not balance and the amount advanced from general funds will necessarily have to be incorporated on the credit side of the account as 'Loan for repayments. As the stores on hand is a liquid asset of the undertaking for which money has been advanced from the Panchayat Board and as the cost of the same is not met from the loans mentioned in the credit side of No. II Capital account and as the stores are not purchased from the profits in the undertaking, the scheme having worked in deficit from the commencement, it is necessary and just to pay for the stores taken over by the Government. Stores on hand is a part of the undertaking for which money has been borrowed from the Panchayat Board.

7. Under the above circumstances, I request you to kindly examine the question and arrange for early payment of the amount due to this Panchayat Board.

8. As per G.O.Ms.No. 1055 P.W., dated 17-3-50, the amount has been received from the Superintending Engineer, Pykara Electricity System, Coimbatore, and the loans mentioned in the I.O. repaid.

Sd/- X Y Z
EXECUTIVE OFFICER
PANCHAYAT BOARD, [illegible]

(True copy)

V. D. Mitra
SUPERINTENDENT

ELECTRICITY DEPARTMENT.

From
The Chief Electrical Inspector
to Government, No.157,
Mount Road, Madras 2.

To
The Executive Officer,
Kollegal Panchayat Board,
Kollegal.

No.5945 Accts/49-31, dated 18-10-51.

Sir,

Sub: Electricity - Kollegal Panchayat Board / Electrical Undertaking - Acquisition by Government - Payment of compensation.

Ref: Correspondence resting with your Roc.No.395/49-C, dated 24-9-1951.

SECRETARY TO GOVERNMENT
29 OCT 1951
WORKS DEPARTMENT

In accordance with the terms and conditions appended to G.O.Ms.No.2915 P.W. dated 3-8-50, Government took over the assets of the Kollegal Panchayat Board electrical undertaking including stores; and in consideration of the Board agreeing to convey the assets, Government shall (i) absolve the Board from repayment to Government of principal amounts of loans the Board has taken from the Government (ii) undertake repayment of loans taken by the Board from the Coimbatore District Board and from consumers security deposit invested in the undertaking for purposes of capital expenditure (the loans raised for meeting operational deficits being excluded for the purpose), (iii) and also pay to the Board the total of the principal amounts of the loans the undertaking has taken from the general funds for capital expenditure and remaining outstanding on 1-10-48 (the loan raised for meeting deficits in operation being excluded for this purpose). The amount of Rs.84,002-8-0 authorised in G.O.Ms.No.1055 P.W. dated 17-3-50 and already paid is made up of all the above three items and as shown in the capital account of the accounts of the undertaking up to 30-9-48. As stores is included in the assets to be handed over to Government, the Panchayat Board has no claim for separate

p.t.

6

payment on this account. ~~to Government, the Panchayat Board~~/ The amount of Rs.84,002-8-0 already sanctioned represents the total ~~xxxxx~~ compensation for the acquisition of the undertaking.

Yours faithfully,

N.V.Narayanaswami 19/10

for Chief Electrical Inspector
to Government.

gp/18-10.

Copy to the Chief Operation Engineer (South), Madras, with reference to his No.430 C/50-13, dated 27-8-51.

Copy to the Secretary to Government, Public Works Department, Madras.

+ 7
P.W.(9)

Memo No. 87222-9/51-1 dt 1-12-51.

Sub:- Electricity - Kollagal Panchayat Electrical Undertaking - Acquisition by Govt. - Payment of compensation - Claim of Panchayat Board for additional compensation in respect of stores.

Ref:- ~~From the C.O.E. (South) No. 420-S/50-16 dt 3-10-51~~

~~do~~ C.E.I.G. No. 5945 Accts/49-31 dt 18-10-51

~~The attention of the C.E.I.G. is invited to his~~ letter No. 325 N/50-46 dt 7-9-51 and he is requested to state whether on the same analogy compensation should not be paid to the Kollagal Panchayat Board for the stores purchased from its general funds and taken over by the Govt. Elecy. Deptt. along with the electrical undertaking. The C.E.I.G is also requested to send a copy of the audited statement of accounts of the Kollagal Panchayat Electrical Undertaking for the period from

1-4-48 to 30-9-48. ~~Reply should be sent through the C.E.E. (South).~~

1.1.51

29/11/51

29/11/51

To The C.E.O.G.

~~Copy to the C.E.E. (South)~~

26.12.51.

6/12

(V) ELECTRICITY DEPARTMENT.

9

From
Sri K.V.Karantha, M.A.,M.I.E.,
Chief Electrical Inspector
to Government, No.157,
Mount Road, Madras 2.

To
The Secretary to Government,
Public Works Department,
Madras.

No.5945 Accts/49-32, dated 7-12-51.

105427

Sir,

Sub: Electricity - Kollegal Panchayat Board Electrical Undertaking - Acquisition by Government - Payment of compensation - Claim of Panchayat Board for additional compensation in respect of stores.

Ref: Government (Public Works Department) Memo.No.87222-I/51-1, dated 1-12-51.

A true copy of the audited statement of accounts of the Kollegal Panchayat Board electrical undertaking for the period from 1-4-48 to 31-3-49 is sent herewith.

No separate accounts upto the vesting date i.e. from 1-4-48 to 30-9-48 was prepared and sent to this office;

p.t.o.

1 DEC 1951
PUBLIC WORKS DEPARTMENT

pp 7-8 ante

pp 11-19 infra

but the audit report on the accounts specifies the period as from 1-4-48 to 30-9-48.

Yours faithfully,

C. N. Lakshmanan

for Chief Electrical Inspector
to Government.

Encl: One copy of)
accounts.)

TP/8.12.

--oOo--

ANNUAL ACCOUNT.
KOLLEGAL ELECTRIC LICENCE.
Year ending 31st March 1949.

***

I. Statement as to loans authorised for the purpose of the undertaking referred to in the abovementioned licence to the end of 31st March 1949 for which accounts are made up.

Amount sanctioned and nature of loan	Amount borrowed			Amount paid.			Amount sanctioned but not borrowed		
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
1.Rs.80,000/- sanctioned by the Coimbatore District Board and approved in G.O.No.2986 L & M dated 31-5-35 and 128 L & M dated 10-1-36 @ 2% per annum repayable in 20 equal annual instalments after the 4th year, interest alone being payable during the first four years.	80000	0	0	15354	12	0	-	-	-
2.Rs.16,000/- sanctioned by the Government in their order Ms.No.512 L.A., dated 27-2-41 for the completion of the electrification scheme repayable in 20 equal annual instalments of Rs.1177/- each inclusive of interest @ 4% per annum.	16000	0	0	4642	12	0	-	-	-
3.Kollegal Panchayat Board General funds bearing no interest.	5245	0	0	-	-	-	-	-	-
4. Consumers Security Deposit invested in the Undertaking (interest @ 3% per annum).	2755	0	0	-	-	-	-	-	-
Total ...	104000	0	0	19997	8	0	-	-	-

Sd/A.B.Pisharety 10/4/50.
Auditor.

Sd/I.Joshua 3-4-50.
Executive Officer.
Panchayat Board, Kollegal.

II Capital Account for

Description of work.	Expenditure to the end of 31-3-48 Rs.	A.	P.	Expenditure during the year. Rs.	A.	P.	Total Expenditure to the end of 31-3-49. Rs.	A.	P.
a. To Preliminary expenses(to be specified)	4940	1	0	- - -			4940	1	0
b. " Lands, including law charges.	234	0	0	- - -			234	0	0
c. " V lue of lands appropriated for electrical purposes.	-	-	-	-	-	-	-	-	-
d. " buildings and other properties.	7665	14	5	-	-	-	7665	14	5
e. " Plant.	41405	2	1	-	-	-	41405	2	1
f. "transformer and appliances.	-	-	-	-	-	-	-	-	-
g. " overhead feeders.	27996	8	5	(-)9	2	2	27987	6	3
h. " underground feeders.	2395	10	6	-	-	-	2395	10	6
i. " meters and testing equipment.	7507	0	7	-	-	-	7507	0	7
j. " Special structures.	380	0	0	-	-	-	380	0	0
k. "switch, fuse, and lightning arrestors.	644	0	0	-	-	-	644	0	0
l. " street lighting.	2674	12	5	-	-	-	2674	12	5
m. "service connections.	3204	8	7	44	2	1	3248	10	8
n. "tools and plant.	1701	0	1	16	10	2	1717	10	3
o. "general stores.	-	-	-	-	-	-	-	-	-
p. "transfer to sinking fund of value of land sold, as per contract.	-	-	-	-	-	-	-	-	-
q" " amount applied to the reduction of principal of borrowed money from value of lands sold, as per contra	-	-	-	-	-	-	-	-	-
r. "Special items(to be specified)									
Rolling Stock of meters.	88	10	2				88	10	2
Books and Publications.	42	8	9				42	8	9
Furniture.	261	5	5	+(-)24	10	11	236	10	6
Total expenditure.	101141	2	5	26	15	2	101168	1	7
Balance of capital a/c	2858	13	7	(-) 26	15	2	2831	14	5

104000
101168.1.7
2831.14.5

Sd. A.B. Pisharety.
Auditor.

the year ending 31st March 1949. Kollegal Electric Licence. Cr.

Description of work.	Receipts to the end of 31-3-48.	Receipts during the year.	Total receipts to the end of 31-3-49.
	Rs. A. P.	Rs. A. P.	Rs. A. P.
a. By amounts raised by loans:			
Coimbatore District Board.	80000 0 0	---	80000 0 0
Government..	16000 0 0	---	16000 0 0
b. " interest on capital outlay during construction capitalised.	- - -	- - -	- - -
c. " amount received as Government contribution.	- - -	- - -	- - -
d. "value of lands belonging to authority appropriated for electrical purposes.	- - -	- - -	- - -
e. " value of surplus lands sold.	- - -	- - -	- - -
f. " amount transferred from Net Revenue Account.	- - -	- - -	- - -
g. "other receipts(to be specified).			
" Loan from Panchayat Board general funds.	5245 0 0	- - -	5245 0 0
"Investment of consumers' security deposits in the scheme treated as loan.	2755 0 0	- - -	2755 0 0
(Unspent balance of the advance)			
Total receipts.	104000 0 0		104000 0 0

Sd. I. [illegible],
Executive Officer, Panchayat Board, Kollegal.

copy/

Dr. No. III. Revenue Account for the

		Rs. A. P.	Rs. A. P.
A. GENERATION.			
a. To fuel.		4128 13 7	
b. " Oil, acts, water and engine room stores		951 7 11	
c. " proportion of salaries of Engineers, Superintendents and officers.		460 3 2	
d. "wages and gratuities.		2068 15 0	
e. "repairs and maintenance of			
(i)Building	-	-	
(ii)Plant. ..	531 12 0	531 12 0	
f. "other items(to be specified)			
Stationlighting.	54 4 6		
Repairs and maintenance of Tools.	31 0 0		
Testing instruments.	139 11 0	224 15 6	
			8366 3 2
AA. To cost of Bulk power purchased. ..		- - -	- - -
B. DISTRIBUTION-			
a. To proportion of salaries of Engineers, Superintendents and officers.		460 3 3	
b. " wages and gratuities. ..		306 6 1	
c. " repairs, maintenance and renewal of mains-			
(i)H.T.Line K.V.		- - -	
(ii)L.T.Line ..		990 10 1	
d. " repairs, maintenance and renewal of transformers. ..		- - -	
e. " repairs, maintenance and renewals of meters, switches, cutouts and other apparatus on consumers' premises. ..		175 11 6	
			1932 14 11
C. PUBLIC LAMPS.			
a. To attendance and repairs. ..		103 8 0	
b. To renewals, etc.		146 15 4	
			250 7 4
D. RENTS, RATES AND TAXES.			
a. To rents payable ..			120 0 0
b. To rates and taxes. ..			- - -
c. To Electricity duty ..			- - -
E. MANAGEMENT EXPENSES.			
a. To salaries, etc.			
(i) Engineers department.		613 9 7	
(ii) Clerical department.		983 15 0	
b. To general establishment charges.		668 1 4	
c. To commercial expenses.		- - -	2267 9 11
F. LEGAL CHARGES. To Law expenses. ..		--	- - -
G. OTHER ITEMS:			
a. To service connections.		155 3 0	
b. " compensation under Workmen's compensatin Act		- - -	
c. " Audit fees.		- - -	
d. " Electrical Inspector's fees.		- - -	
e. " leave and provident fund contribution charges		297 14 0	
f. " other sundry items(if any) ..		- - -	453 1 0
Total expenditure ..			13390 4 4
Amount carried to Net Revenue Account..		(-)	2312 12 3
Balance carried to next account to provide for bad debts			- - -
Total ..			10877 8 1

Sd. A.B. Pisharety.
Auditor.

/True c

Kollegal Electric Licence. 12

year ending 31st March 1948. /Cr.

		Rs. A. P.	Rs. A. P.
a.	By balance from last account less bad debts written off.	- - -	- - -
b.	" sale of energy for lighting purposes.	- - -	4381 0 1
c.	" sale of energy for power purposes.		1501 4 9
d.	" sale of energy for public lighting.		889 6 9
	" Panchayat Board for renewals and attendance on public lamps.		250 7 4
e.	" sale of energy by special contract. ..		97 9 2
	" sale of energy for domestic purposes. ..		13 10 0
	" sale of energy for bazaar lighting. ..		348 0 0
f.	" rental of meters on consumers' premises. ..		250 8 0
	" sale of energy for mixed load of small power and lighting. ..		799 12 0.
g.	" service connections.		
	Actual cost ...	155 3 0	
	Centage. ...	23 4 9	178 7 9
h.	" miscellaneous receipts from consumers. ..		187 3 10
i.	" rents receivable ..		- - -
j.	" others receipts (if any to be specified)		
	Sale of bulb caps. ..		8 5 0
	" war costs surcharge. ..		205 0 1
	" centage on materials sold to other departments.		6 10 4
	" Abatement of receipts (rebate allowed to consumers for prompt payment of dues) ..	(-)	159 13 0
	Total receipts. .		10,577 5 1

Sd. I. Joshua.
Executive Officer, Panchayat Board, Kollegal.

16

Dr. No. IV NET REVENUE

				Rs.	A.	P.
a. To interest on consumers security deposit accrued due to date				40	2	3
b. To amount transferred to Capital Account ..				-	-	-
c. To payments to reserve funds where such fund is authorized.				-	-	-
d. To (writes off)				99	10	1
e. To sum applied to local rate.				-	-	-
f. To annuity-	Dist. Board.		Government.			
(i) Interest on loan	664 4 0		267 6 0	931	10	0
(ii) Repayment of principal	1782 4 0		401 5 0	2183	9	0
g. To sinking fund at. percent on paid up capital...				-	-	-
To difference of cost of lubricating oil supplied in previous years now claimed by I.S.D.				38	12	0
h. To provision for renewals and extraordinary maintenance				-	-	-
i. To depreciation- general reserve at --- percent on paid up capital.				-	-	-
j. To balance carried to balance sheet.				-	-	-
To loss in the scheme met from general funds over and above contribution from special lighting tax.				1388	10	1
Total ..				4691	5	5

Sd. A.P.Pishareety,
Auditor.

Dr. No. V. SINKING FUND

Stock.	Rs.	A.	P.
a. To amount paid for purchase of (nature of investment to be specified)	-	-	-
b. To stock sold during period of account....	-	-	-
c. To amount of principal of borrowed money repaid.	-	-	-
d. To amount of balance to next account.....	-	-	-
Total	-	-	-

Nil

Dr. No. VI RESERVE FUND

Stock.	Rs.	A.	P.
a. To amount for purchase of (nature of investment to be specified)	-	-	-
b. To stock sold.	-	-	-
c. To sum transferred to revenue account.	-	-	-
d. To amount of balance to next account.	-	-	-
Total	-	-	-

Nil

/True copy/

ns.8.12.

ACCOUNT. KOLLEGAL ELECTRIC LICENCE. Cr.

	Rs.	A.	P.
a. By balance from No. [illegible] Revenue Account.	(-) 9512	12	3
b. By balance from last account	-	-	-
c. By interest on money at deposit ..	-	-	-
By salary due unclaimed ..	34	10	0
By sale of old materials. ..	5	4	0
By sundry creditors- Amount not claimed.	6	0	6
By interest on security deposit-excess payment during 1947-48 ..	0	4	10
By Balance carried to balance sheet. ..	9157	14	4
Total --	4691	5	5

Sd. I. Joshua,
Executive Officer,
Panchayat Board, Kollegal.

ACCOUNT. Cr.

Stock.	Rs.	A.	P.
. By balance brought from last account.	-	-	-
. By amount brought from net revenue account.	-	-	-
. By interest on investment. ..	-	-	-
. By value of lands transferred from Account II.	-	-	-
. By amount realized by sale of stock(nature of stock to be specified)	-	-	-
. By stock purchased.	-	-	-
Total	-	-	-

Nil

Sd. I. Joshua,
Executive Officer, Panchayat Board,
Kollegal.

ACCOUNT. Kollegal Electric Licence. Cr.

Stock.	Rs.	A.	P.
a. By balance brought from last account.	-	-	-
b. By amount transferred from net revenue account.	-	-	-
c. By stock purchased.	-	-	-
d. By amount realized by sale of stock(nature of stock to be specified)	-	-	-
Total	-	-	-

Nil

Sd. I. Joshua,
Executive Officer,
Panchayat Board, Kollegal.

/True copy/

No. VII General Balance Sheet

Capital and Liablities.

	Rs.	A.	P.
CAPITAL ACCOUNT- Amount received as per account No. II.	104000	0	0
SUNDRY CREDITORS- Deposits from consumers for service connections.	100	1	4
To Government Electricity Department for energy charges	-	-	-
Salaries and wages due. ..	795	14	0
Electricity duty	-	-	-
Audit fees.	-	-	-
Other liabilities.	17855	15	8
NET REVENUE ACCOUNT- Balance at credit thereof. Revenue Deficit .. (-)	7157	14	4
RESERVE FUND ACCOUNTS- Sinking fund for loan prepayment ..	-	-	-
Depreciation.	-	-	-
Special Reserve	-	-	-
Balance of interest on capital due. ..	-	-	-
SECURITY DEPOSITS- From consumers.	-	-	-
Invested in Post Office Cash Certificates as per contra.	-	-	-
From others. ..	-	-	-
Total Rs.	115594	0	8

Sd. A.B. Pisharety,
Auditor.

/TRUE COPY/

..6.12.

Kollegal Electric Licence.

as on 31st March 1949.

Property and Assets.

		Rs.	A.	P.
CAPITAL ACCOUNT-				
Amount expended for works as per account No. II.		101168	1	7
By stores on hand.		8285	11	11
SUNDRY DEBTORS-				
For current supplied to end of the year.		47	7	1
OTHER DEBTORS-				
For plant sold on hire-purchase system.		-	-	-
For service connections.		-	-	-
By other items (to be specified)				
Excess payment of annuity paid to Government 508- 5- 0				
" " " to District Board.	2446- 8- 0	2954	13	0
SECURITIES HELD(Cost Price):-				
Consumers security deposits invested in the undertaking.		2755	0	0
Post office Cash Certificates of consumers held as per contra.		-	-	-
Others. Post Office Savings Bank Pass Book.		-	-	-
Work in progress for service connections.		-	-	-
ADVANCE PAYMENTS-				
(i) Indian Stores Department.	297-15- 0			
(ii) Others....	6- 3- 0	304	2	0
CASH BALANCE-				
In Treasury.		78	13	1
On hand.		-	-	-
NET REVENUE ACCOUNT-				
Balance of last year.		-	-	-
For the year.		-	-	-
INVESTMENTS IN GOVERNMENT SECURITIES-				
Depreciation fund.		-	-	-
Special Reserve.		-	-	-
Total Rs.		115594	0	8

Sd. J. Joshua,
Executive Officer,
Panchayat Board, Kollegal.

/TRUE COPY/

8285-11-11
47-7-1
304-2-0
78-13-1
7713-2-1

No. VIII Statement of energy generated, sold, etc.,

Total energy generated in Kilowatt hours. (1)	~~Public lamps.~~ Bazaar lights. (2)	~~Public lamps.~~ Public Lamps (2)	~~By Special contract~~ By Special contract (3)	~~By Special contract~~ mixed load of small power and lighting. (3)	Consum by mete lightin (4)
40,820	1062	4990	238	4692	19011

Kilowatt hours used on works. ( )	Kilowatt hours not accounted for (8)	Total kilowatt hours accounted for. (9)	Kilowatts connected for public lamps. (10)	Total consumers connected. (11)	To kilo con
4885	4	40816	5.76	185 services 29 bazaar lights. 144 street lights.	18

Sd. A.B. Pisharety,
Auditor.

Sd. x x x
Executive Officer,
Panchayat Board, Kollegal

/TRUE COPY/

ns.8.12.
13
/8/N

(2)

hce.

ns for purposes.	Consumers by meter for power purposes.		Total.
		Domestic purposes.	
	(9)		(8)
	12829	109	35931

ta. watts nected	Plants installed kilowatts.	Maximum supply demanded in kilowatts.
12)	(13)	(14)
.235	2 sets of 40 K.W. each.	46

Sd. I. Joshua,
Executive Officer,
Panchayat Board, Kollegal.

C. N. Lakshmanan

Chief Accountant.

~~Secretary of Local Authorities~~

~~Electric Supply Undertaking~~

25

Government Electricity Department

From

The Chief Operation Engineer (South)
157, Mount Road, Madras-2.

To

The Secretary to Government,
Public Works Department, Madras.

15019

No.134-L/51-2, dated 25th February 1952.

Sir,

Sub: Electricity - Kollegal Electrical Undertaking - Taken over by Government - Unspent balance amount of capital loans.

With reference to the terms and conditions for the revocation of the Kollegal Electric Licence approved in G.O.Ms. No.2915, Public Works, dated 3.8.1950, Government shall absolve the Kollegal Panchayat Board from repayment of the principal amounts of the loans the Panchayat Board had taken from the Government and shall also undertake repayment of the loans taken by the Board from the Coimbatore District Board and from consumers' security deposits invested in the undertaking for the purposes of capital expenditure of the undertaking, the loans raised for meeting deficits in operation being excluded for this purpose.

2. The question if the balance of unspent capital is recoverable from the Panchayat Board has been raised.

It is seen from the capital account of the Electrical Undertaking that out of the loans and advances taken for capital expenditure a sum of Rs.2,831-14-5 has not been utilised and hence to this extent the advance cannot be deemed to have been invested in the undertaking. This unspent amount has not also been taken into account in fixing the compensation amount at Rs.84,002-8-0 as sanctioned in G.O.No.1055, Public Works, dated 17.3.50 and confirmed in G.O.Ms. No.250, Public Works, dated 23.1.52. But unless it is established that the balance of unspent capital has been used for meeting deficits in operation the Department will not have any claim on that amount. The Chief Controller was therefore requested to examine and report whether the balance of unspent capital has been used for meeting deficits in operation. He has reported that as seen from the Balance Sheet as on 31.3.49 there was a total revenue deficit of Rs.7,157-14-4 and that it is not possible to state whether this deficit was met by the Board from the capital loans taken from Government or from the advances from the general funds.

P.T.O.

Stores worth Rs.8,272/- was taken over by this Department as one of the assets of the undertaking. Although the Panchayat Board has no claim for separate payment on account of stores handed over, the Chief Electrical Inspector to Government considered, while offering his remarks on the Panchayat Board's claim for stores, that stores existing on the date of taking over and purchased from loans advanced by the Panchayat Board should be treated as liable to be paid for extra if this loan was not already included in the "Capital Loan". He further stated that as the Panchayat Board never worked at a profit and as the cost of stores advanced from General funds was not included in the capital loans, it would stand to ~~loose~~ lose by the omission in the terms of the G.O. The balance of unspent capital should therefore be considered as having been utilised for part cost of the stores and as such utilisation will not be for meeting deficit in operation, I consider that the unspent balance of capital amount is not recoverable. I ~~regret~~ request confirmation that this view is correct.

M

(5) M.R.Subramanian
For Chief Operation Engineer (South).

nc/26.2.

26/2.

P.W.D.(I.3) 23

68/27

G.O. M.S. 250 27.1.52

Electricity - Kollegal Panchayat Board Electrical Undertaking - Taken over by Government - Payment of final compensation -Orders issued.

p 193 cf (2)
p 209 cf (2)
p 1 cf

Read:- G.O.Ms. No. 1055 P.W. dated 17-3-50.
G.O.Ms. No. 2915 P.W. dated 3-8-50.
From the C.O.E.(S) No. 430-C/50-16 dated 3-10-51.

-:-

p 210 (2)

With reference to para 2 of terms and conditions under which the Kollegal Electric Licence 1937, was revoked in G.O.Ms. No. 2915 P.W. dated 3-8-50, His Excellency the Governor of Madras hereby confirms that the amount of Rs.84,002-8-0 (Rupees eighty four thousand and two and annas eight only) already paid to the Kollegal Panchayat Board with reference to G.O.Ms. No. 1055 P.W.dated 17-3-50, represents the total compensation payable

p 209 cf (2)

p 193 cf (2)

for the Kollegal Electrical Undertaking and that the Panchayat Board is not entitled to any further compensation for the stores handed over to the Govt. Elecy. Dept. along with the undertaking.

9/1/52 9.1.52 10/1/52 10/1/52

To the CE(S)
To the Executive Officer,
Kollegal Pt. Bd. thro'
the P. P. Bd. Kollegal,
~~To the G.O.E.(S)~~
" " C.E.I.G.
~~" " C.E.I.G.~~
" " A.G. thro' Fin.

2 s/cs.

28/1

17/3/4.1/2

25.76
pp 1-2 cf

P.W. (ϑ_3).

Memo No. 15019-ϑ/52-1 dt 31.3.52.

Sub:- Electricity - Kollegal Panchayat Board Electrical Undertaking - Taken over by Govt. - Loans taken for capital expenditure - Unspent balance - Recovery.

Ref:- From the C.O.E. (South) No. 134-L/51-21 dt 25-2-52

—

The C.O.E. (South) is requested to state whether the C.E.ϑ.G. has been consulted in the matter and if so ~~what his remarks are~~ furnish his views.

To The C.O.E. (South)

R.D. - 1-5-52

31/3/52

31/3/52

31 3 52

5

GOVERNMENT ELECTRICITY DEPARTMENT.

From

The Chief Operation Engineer (~~North~~ South),
157 Mount Road, M a d r a s -2.

To

The Secretary to Government,
Public Works Department, Madras.

No.134-L/51-3 dated the 10th April 1952.

28951

Sir,

SUB: ELECTRICITY - Kollegal Panchayat Board - Electrical undertaking - Taken over by Government - Loans taken for capital expenditure - Unspent balance recovery.

REF: Government Memorandum No.15019-I/52-1 dated the 31st March 1952.

-.-

The Chief Electrical Inspector to Government was consulted the matter and a copy of this U.O.Note No.5945-Accts/49-30 dated the 27th September 1951 containing his views is enclosed herewith.

for CHIEF OPERATION ENGINEER (NORTH).

MVS:12.4

31/

Copy of U.O.No.5945 Accts/49-30 dated the 27th September 1951 from the Chief Electrical Inspector to Government, 157 Mount Road, Madras -2. To The Chief Engineer for Electricity.

SUB: KOLLEGAL Electrical Undertaking - Payment of compensation - Amount Advanced from general funds of the Panchayat Board for purchase of stores for electrical undertaking - Remarks.

REF: C.E.(E). U.O.No.430 C/50-15 P/25-9-1951.

The position stated at "A" was fully known to me when I made my recommendation. In my letter No.5944 Accts/49-17 dated 23-8-50, I stated as follows:--

"As per the terms and conditions appended to G.O. ~~No.Ms.~~ Ms.No. 2915, Public Works Department, dated 3-8-1950, approving the revocation of the Kollegal Electric Licence 1937, the cost of stores advanced from general funds, is not an item to be paid for by Government for acquisition of this Undertaking. Nevertheless, I consider that the value of stores existing on the date of taking over by Government which has been purchased from loans advanced by the Panchayat Board should be treated as liable to be ~~paid~~ paid for extra if this loan is not already included inthe "Capital loan".

The Panchayat Board Undertaking never worked at a profit and its stores cost advanced from General funds is not included in the "Capital loans" taken over. So the Panchayat Board stands to lose unduly by this act of omission in the terms of the G.O. A new point now is that the unspent balance of capital loans should have been handed over to Government; but this was not done. I agree that Government stands to loose under this item of omission in the G.O. But the first omission, unfortunately, does not set off the second, the cost of stores being appreciably larger. Mine was only a recommendation for a juster treatment than was provided for in the G.O., which was drawn up before all aspects could be thought of, but it need not be pursued.

(TRUE COPY)

SUPERINTENDENT.

MMS:12.4

33/ PWD (D3)

21/6.6 Memo No. 15018 D/52-3 of 5-6-52

Sub:- Elecy - Kollegal panchayat Bd Elect undertaking - Acquisition by Govt - Payment of Compensation - unspent balance of loans taken for Capital expenditure - ~~Refunds of~~ Not to be recovered.

Ref:- From the C.O.E (S) No. 1341/51-2 of 25.2.52

Govt accept the View of the Chief operation Engineer (South) that the unspent balance of Capital ~~amount of~~ loans taken for the Elect undertaking, ~~is Correct~~ amounting to Rs 2,831-14-5, need not be recovered from the Panchayat Board.

Approved 25-26

Minute 26

To

The C.O.E (S)

Copy to the C.E.I.G.

31-5-52

31/6/52

Welsh

4.6.52

C No. 87222-9/51.

Sub:- Electricity – Kollegal Panchayat Electrical Undertaking – Acquisition by Govt. – Payment of compensation – claim of Panchayat Board for additional compensation in respect of stores purchased from General funds.

p. 1 cf
p. 5-6 cf.

Ref:- From the C.O.E. (South) No. 430 C/50-16 dt 3-10-51
do C.E.I.G. No. 5945 Accts/49-31 dt 18-10-51

—

Please see the letter from the C.O.E. (South) at p. 1 cf. and the copy of the letter from the C.E.I.G. to the Kollegal Panchayat Board at pp. 5-6 cf. With ref. to the claim of the Kollegal Panchayat Board for payment of compensation for the stores of its electrical undertaking which has been acquired by the Govt. by negotiations, the C.O.E. (South) has pointed out that as stores are included in the assets to be handed over to the Govt. under the terms + conditions under which the Kollegal Electric Licence, 1937, was revoked in G.O. Ms. No. 2915 P.W. dt 3-8-50, the Panchayat Board is not entitled for separate payment for the stores. The C.E.I.G. has also informed the Kollegal Panchayat Board accordingly.

p 1 cf

p 209 cf (Z)

p. 6 cf

2. It may be mentioned that in connection with the payment of compensation for the Anantapur Municipal Electrical Undertaking, the acquisition of which is governed by the provisions of the Acquisition Act, a question has arisen whether compensation is payable for stores taken over from the local authority undertakings acquired under the Acquisition Act. In that connection the C.E.I.G. and the C.O.E. (North) have stated that it is but fair to pay compensation to the local authorities for ~~the~~ stores purchased for their electrical undertakings from amounts advanced from general funds. This is separately under consideration. Though the acquisition of the Kollegal undertaking is outside the scope of the Acquisition Act, it would seem reasonable to apply the decision in the above matter to the Kollegal undertaking also. This may be examined further after a decision on the above question is reached. ~~The C.E.I.G. + the C.O.E. (S) may be consulted.~~ In the meantime, the C.E.I.G. may be asked to send a copy of the audited accounts of the undertaking for the year 1948-49 up to the vesting date referred

L/F

A

pp 3-5 cf L/F
C No. 87250-9/51

to at 'x' on p.3cf, as the same does not seem to have been received here. A draft memo is accordingly submitted for approval.

29/11/51

30/11/51

1.12.51

Memo 29/11/51

30.11.51

[Issued as Memo No. 87222-I/51-1 d/1-12-51.]

From the C.E.I.G. No. 5945-Accts./49-32 d/7-12-51.

pp 7-8

pp 9-

-:-

Please see the notes on pp. 1-2 above and the letter from the C.E.I.G. at pp. 9-10 c.f. From the audited accounts for the period from 1-4-48 to 30-9-48 (ie. up to the vesting date), it will be seen that the balance of the loans taken for capital expenditure of the Kollegal Panchayat Bd. elect. undertaking and outstanding on the vesting date, comes to Rs. 84,002-8-0 and as pointed out by the C.O.E.(S) in his letter at p. 1 c.f., the amount of Rs. 84,003/- sanctioned as advance payment in G.O.Ms. No. 1055 P.W. dated 17-3-50, will be the final compensation payable to the Kollegal Panchayat Board in accordance with para 2 of the terms and conditions under which the Kollegal Electric Licence, 1937, has been revoked.

M p 11 cf

Para 3 p 1

p 193 cf (2)

p 201 cf

2. With reference to 'A' on page 1 ante, it may be mentioned that the question of payment of compensation for stores taken over from the local authority undertakings, has arisen in respect of those undertakings which have vested in the Govt. under the Acquisition Act. (According to the reports which appeared in the papers recently) The Madras High Court has ~~recently~~ held that this Act is ultra vires so far as local authority licensees are concerned. A copy of the judgement is awaited from the High Court. It is therefore likely to take a long time before a final decision is reached on the question mentioned at 'A' above. The Kollegal Panchayat Board Electrical Undertaking was taken over on 1-10-48 by negotiations and so far, the conveyance deed has not ~~yet~~ been executed. If the decision to be taken by the Govt. eventually on the question at 'A' above is in favour of the local authorities, ~~of~~ if in view of the High Court's decision mentioned at 'B' above, the basis of compensation is to be changed, the local authority licensees, including Kollegal Panchayat Board, whose under-

A

Separate note

Separate note

takings have been taken over by negotiations, will no doubt come up to Govt. for payment of compensation under the new basis, ~~where it~~ if that will be more advantageous to them and the question may then be taken up for consideration. In the circumstances, as suggested by the C.O.E.(South), it may be confirmed that the amount of Rs.84,002-8-0 already paid with reference to G.O.Ms. No. 1055 P.W. dated 17-3-50 represents the total compensation payable for the Kollegal Panchayat Board Electrical Undertaking and that the Panchayat Board is not eligible for payment for stores.

3. L.A. and Finance may see for remarks.

19/12/51 19.12.51. 20/12/51 L.A. Fin

Para 4 p 14

p 193

P.W.D. U.O. No. 87222-9/51-2
20-12-51

L.A. Dept (A)

The notes of P.W.D on pp 1-3 above may be perused. In the circumstances stated in para 2 of the typed note above, the proposal at 'P' above need not be objected to in this Dept in view of 17 above.

2. The case may be passed on to Finance Deptt u.o.

MP
24/12/51

24.12.51

LOCAL ADMINISTRATION DEPT. 21 DEC 1951 53454 SECRETARIAT, MADRAS

MP 24/12

Whatever basis is finally adopted for payment of compensation to the ~~to cal~~ supplies which went up to the High Court shd in fairness be adopted also in the case

4 i

Of all the local bodies which obeyed the orders of Govt and handed over their Electricity concerns to Govt

25/12/51

Secy

PW

Dp 26/12

Secy

P6

P.W.(9)

Please see the L.A. Deptt's note at pp. 3-4 above. With ref. to 'X' on pp. 3-4 above, it may be mentioned that as stated at 'M' on pp. 2-3 ante, the question of applying to the other local authority licensees, the revised basis of compensation, if any, decided upon by the Govt. with reference to High Court's orders, may be considered in due course. In view of the fact that the conveyance deed has not been executed so far even though the undertaking was taken over on 1-10-48, action may be taken as suggested at 'P' on p. 3 ante.

2. The file may be sent to Fin. as already ordered at p. 3 ante.

28/12/51

Fin

P10

LA 3454/51-1A
26/12/
ASSISTANT SECRETARY
27 DEC 1951
PUBLIC WORKS DEPARTMENT

'Y'
109533
'Z'

P.W.D. U.O. No. 87222-9/51-3
28-12-51

ADDITIONAL DEPUTY SECRETARY
00 DEC 1951
9644
FINANCE DEPARTMENT

6,

From (P.W.R.)

Notes from p. 1 above may be perused.

The Kollegal Panchayat Board Electrical Undertaking was taken over by Govt. on 1-10-48 by negotiations and was paid Rs. 84,002-8-0 as Compensation with reference to G.O. No. 105-5, P.W., dt 17-3-50 — the Panchayat Board had subsequently put in a claim for Rs. 10,623-4-9 representing the amount advanced to the electrical undertaking from ~~its funds~~ the general funds towards purchase of stores and for wiping out certain liabilities in the scheme. — the G.O.G. (S.) states that as stores are included in the assets to be handed over to the Govt., the Panchayat Bd. has no claim for separate payment on this account and nevertheless that the amount already paid may be confirmed as the total compensation for the acquisition of this undertaking. P.W. agree with the G.O.G. (S). But L.A. holds that whatever basis is finally adopted for payment of compensation to the Municipal Councils which when upto the High Court should in fairness be adopted also in the case of all local bodies which handed over their electricity concerns to Govt. P.W. agree to take up in due course the question of applying to the other local authority licencees, the revised basis of compensation, if any, decided upon by the Govt. with reference to High Court's orders, and in the meanwhile propose to issue orders confirming Rs. 84,002-8-0 as the total compensation for the acquisition of the Kollegal Panchayat Board Elec. Undertaking. From. Finance agree with P.W.D.

* P. 133 c-f of (Z)

'A', p. 30 f

'B', p. 1 c-f

'P', p. 3 above.

'X', pp. 3-4 above.

'Y', p. 4 above.

No 30 Cost
31 110809
PUBLIC

From. Dc. 96644-P.W.R./57-1
30-12-57

PB
30-12-57
AD
31.12.57

31-1-1957 PWD

The file deals with the ~~proposal~~ request for payment of compensation for the stores of the Kollegal Panchayat Board Electrical Undertaking which was taken over by the Government on 1-10-48 by negotiation. The Kollegal Panchayat Board agreed to the basis of compensation offered by the Government, viz. payment ~~of~~ to the Panchayat Board the balance of principal outstanding on the date of transfer of the undertaking to the Government in respect of the loans raised by the Panchayat Board for capital expenditure on the undertaking, loans for meeting deficits in operation not being taken into account. Accordingly, in G.O. Ms. No. 1055 P.W. dated 17-3-50, an advance payment of Rs. 84,003/- to the Panchayat Board was sanctioned for the repayment of the following loans taken for capital expenditure on the electrical undertaking outstanding repayment on 1-10-48:—

	Rs. as ps
(1) Loan taken from Government	11,357- 4- 0
(2) Loan taken from the Coimbatore District Board.	64,645- 4- 0
(3) Loans taken from the general funds of the Panchayat Board.	8,000- 0- 0
Total	84,002- 8- 0

The terms and conditions under which the Kollegal Electric Licence, 1937, was revoked in G.O.Ms. No. 2915 P.W. dated 3-8-1950 provide that the compensation for the undertaking would be payable under the basis mentioned at 'X' above.

2. The Kollegal Panchayat Board has now put in a claim for Rs. 10,623-4-9, representing the amount advanced from its general funds towards purchase of stores and for wiping out certain liabilities of the undertaking. The C.O.A.(S) has stated that as stores are included in the assets to be handed over to the Government, the Panchayat Board has no claim for separate payment on this account and has requested that the amount of Rs.84,002-8-0 already paid with reference to G.O.Ms. No.1055 P.W. dated 17-3-50 mentioned at 'Y' above, may be confirmed as the total compensation for the undertaking. As the sum of

Rs. 84,002-8-0 in question has been arrived at in accordance with para 2 of terms and conditions under which the Kollegal Electric Licence 1937, has been revoked , the view of the C.O.E.(S) that the Kollegal Panchayat Board is not entitled to any further compensation, is correct. The correctness of this figure, viz. Rs. 84,002-8-0, has also been checked with reference to the audited statement of accounts of the Kollegal electrical undertaking for the period from 1-4-48 to 30-9-48, ie. up to the date of handing over of the undertaking to the Government. In the circumstances, this department have suggested that the amount of Rs. 84,002-8-0 already paid with reference to G.O.Ms.No. 1055-P.W. dated 17-3-50 may be confirmed as the total compensation payable for the Kollegal Panchayat Board Electrical Undertaking.

3. The L.A. Dept. have stated that whatever basis is finally adopted for payment of compensation to the municipal councils which went up to the High Court, should, in fairness, be adopted also in the case of all local bodies which obeyed the orders of Government and handed over their electricity concerns to Government. With reference to this, it may be mentioned that the Madras High Court has decided the case filed by the Coimbatore and other municipalities against the acquisition of their undertakings by the Government, in favour of the municipalities. The decision of the High Court, in effect, seems to amount to laying down that while acquisition by the Government cannot be objected to, Government should pay the proper value for the assets taken over, just as in the case of commercial licensees. A copy of the judgment is awaited and after its receipt, the question of revising the basis of compensation for the local authority undertakings under the Act, will be taken up for

consideration. The Kollegal Panchayat Board Electrical Undertaking was taken over on 1-10-48 by negotiations and so far, the conveyance deed has not been executed. Strictly speaking, any revised basis of compensation in respect of undertakings acquired under the Acquisition Act will not be applicable to the Kollegal undertaking. But, in fairness, it is ~~not, will not be~~ likely that the Government may take up the question of applying any new basis for payment of compensation as may be decided on with reference to the High Court's judgement, to the three local authority undertakings also which were taken over by negotiation (viz. Kollegal, Bellary, and Hindupur), if that basis will be more advantageous to them. In the circumstances, it would, it seems, suffice if action were to be taken for the present as suggested at 'M' on page 7 ante. Finance have agreed to this being done. A draft order is accordingly submitted.

4. The file may be circulated to H.M.(P.W) and H.M.(L.A) for approval of the draft order.

9/1/52
9.1.52
10/1/52
10/1/52
H.M.(P.W) 12.1
H.M.(L.A)

[G.O.Ms. No. 250 P.W. dt 23-1-52]

P.W.D.(I).

Sub: Electricity - Kollegal Panchayat Board electrical undertakings - Acquisition by Govt. - Payment of compensation - Unspent balance of loans taken for capital expenditure - Recovery of.

Ref: From the C.O.E.(S) No.134-L/41-2 d/25-2-52.
Memo No.15019-I/52-1, P.W.d/31-3-52 to the C.O.E.(S).
From the C.O.E.(S) No.134-L/51-3 d/10-4-52.

This file deals with the question of recovery from the Kollegal Panchayat Board, of the unspent balance of the loans taken by the Panchayat Board for capital expenditure on its electrical undertaking.

2. The Kollegal Panchayat Board electrical undertaking was taken over by the Govt. 1.10.48 by negotiation. The basis of compensation offered by the Govt. and agreed to by the Panchayat Board was the payment by the Govt. to the Panchayat Board of the balance of principal outstanding on the date of transfer of the undertaking to the Govt. in respect of the loans raised by the Panchayat Board for capital expenditure on the undertaking, loans for meeting deficits in operation not being taken into account. Accordingly, in G.O.Ms.No.1055, P.W., dated 17-3-50 an advance payment of Rs.84,003/- to the Panchayat Board was sanctioned for the repayment of the following loans taken for capital expenditure on the electrical undertaking and outstanding repayment on 1-10-48:-

(1) Loan taken from Govt.	Rs.11,357--4--0
(2) Loan taken from the Coimbatore District Board.	64,645--4--0
(3) Loan taken from the general funds of the Panchayat Bd.	8,000--0--0
Total ..	Rs.84,002--8--0

The terms and conditions under which the Kollegal Electric Licence, 1937, was revoked in G.O.Ms.No.2915 P.W., dated 3-8-50, provide that the compensation for the undertaking would be payable under the basis mentioned at X above. The Panchayat Board, however,

put in a claim for Rs.10,623-4-9 representing the amount advanced from its general funds towards purchase of stores and for wiping out certain liabilities of the undertaking. In G.O.Ms.No.250, P.W., dated 23.1.52, orders were issued that with reference to para 2 of the terms and conditions under which the Kollegal Electric Licence, 1937, was revoked in G.O.Ms.No.2915, P.W., dated 3-8-50, mentioned at 'Y' on p.1 ante, the amount of Rs.84,002-8/- already paid to the Kollegal Panchayat Board with reference to G.O.Ms.No.1055, P.W., dated 17-3-50 mentioned at 'Z' on p.1 ante, would represent the total compensation payable for the Kollegal electrical undertaking and that the Panchayat Board was not entitled to any further compensation for the stores handed over to the Govt. Electricity Dept. along with the undertaking.

pp 3-4 cf

pp 23-24 cf

p.2 (2)

A

3. The C.O.E.(S) has now stated that according to the capital account of the Kollegal undertaking a sum of Rs.2,831-14-5 out of the loans and advances taken for capital expenditure, has not been utilised and that if it is ~~provided~~ proved that this amount has been utilised for meeting deficits in operation, the Govt. are entitled to claim this amount from the Panchayat Board, since it has not been taken into account while fixing the compensation amount of Rs.84,002-8-0 referred to at 'A' above. He has also stated that the balance sheet of the Kollegal undertaking as on 31-3-49 shows a total revenue deficit of Rs.7,157-14-4, but that it is not possible to state whether this deficit was met from the capital loans taken from Govt. or from the advances from the general funds. The C.O.E. states that the C.E.I.G. is of the view that as the Panchayat Board undertaking never worked at a profit and as the cost of stores advanced from general funds was not included in the capital loan, the balance of unspent capital

Para 2 p.1 cf

Para 3 p 2 cf

should be considered as having been utilised towards the cost of part of stores and not for meeting deficit in operation. The C.E.I.G. has also stated that the Panchayat Board stands to lose unduly consequent upon the exclusion from the compensation amount, of the value of stores taken over by the Govt. amounting to Rs.8,272/- and that as against this amount, the claim that the Govt. would have to forgo, if they agree not to ask for refund by the Panchayat Board of the unspent balance of capital loans would amount only to Rs.2831.14.5. In the circumstances, the C.O.E.(S) considers that the unspent balance of capital amount is not recoverable and requests confirmation that his view is correct.

4. It may be mentioned that according to the basis of compensation agreed to between the Govt. and the Kollegal Panchayat Board and included in the terms and conditions under which the Kollegal Electric Licence, 1937, was revoked - vide 'X' & 'Y' on p.1 ante - the Govt. are not liable to pay to the Kollegal Panchayat Board the outstanding loans taken for capital expenditure in so far as the amount ~~is not~~ was utilised to meet deficits in operation. ~~In the circumstances~~ The C.O.E.(South) cannot, however, confirm that the amount was utilised to meet deficits in operation. In the circumstances the view of the C.O.E.(S) that the unspent balance of capital loans is not recoverable may be accepted and confirmed . Attention in this connection is invited to para 3 of ~~xxxxx~~ this Dept.'s note at pp.7-8 ante n.f. of G.O. Ms.No.250, P.W. dated 23.1.52, from which it will be seen that the ~~active~~ entire basis on which the compensation paid for the Kollegal electrical undertaking has been determined, is likely to be revised in case the appeal the Govt. have decided to prefer ~~to~~ before the Supreme Court against the High Court's decision is dismissed by that Court and the Govt. have to pay compensation for the Kollegal undertaking on the

p 7 cf

M p.2 cf

Para 2 p.2 (2)

M p 2 cf

B

p 23-M cf (A)

38022

same basis adopted for private undertakings. In that case, the compensation payable for the undertaking is likely to exceed the compensation already ordered to be paid for the undertaking.

5. The file may be sent to L.A. + Fin. for remarks

5/5/52 5/5/52 6/5/52 L.A. Fin

P.W.D. M.O. No. 15019-9/52-2
6-5-52

L.A

Pending the Supreme court's decision on this Govt's appeal, the proposal at B on P 3 above is accepted

9/5/52 Fin

LOCAL ADMINISTRATION DEPARTMENT 7 MAY 1952 16911 SECRETARIAT, MADRAS

L.A.M.O. No. 16911/52-14
9/5/52

Finance (P.W.R.)

Notes on pp 1-4 above may be perused. Finance may also agree to the proposal at B on p 3 above.

14/5/52 15/5/52 16/5/52 P.W.D

35474 P.W.R

Fin M.O. 35474 PWR-1

ASSISTANT SECRETARY TO GOVERNMENT 16/5/52 16 MAY 1952 38655 PUBLIC WORKS DEPARTMENT

5/ P.W.D (93)

A.S.

The file deals with the question of recovery from the Kollegal Panchayat Board of the unspent balance of the loans taken by the Panchayat Board for Capital expenditure on its electrical undertaking. The facts of the case ~~have been briefly~~ are explained in the typed note of the Hydro Dept. ~~Paras 2-4~~ at pp 1-4 ante. This dept. proposed to accept the views of the C.O.E.(S) that the unspent balance of Capital loans taken by the Kollegal Panchayat Board Elect. undertaking (amounting to Rs. 2,831-14-5) is not recoverable from the Panchayat Bd. L.A. and Fin. depts have agreed to the above proposal pending the Supreme Courts decision on this Govt's appeal. The C.O.E.(S) may perhaps be informed of the position as at 'A' above. A draft memo is submitted. After issue, the papers may be filed with G.O. Ms. 250 P.W. of 23-1-52 at (A) pp 22-24 ante.

B

A

31-5-52 / 8/6/52

4/6/52

4/6/52